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AN HISTORICAL REVIEW OF  
STUDIES OF THE INTELLIGENCE COMMUNITY  
FOR THE  
<sup>55</sup>COMMITTEE ON THE ORGANIZATION OF THE  
GOVERNMENT FOR THE CONDUCT OF FOREIGN  
POLICY

December 1974



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## PREFACE

This report is a review of a number of major studies of the intelligence community made since the Joint Study Group Report of 1960. This report was selected as the starting point, because it had a major impact on the evolution of the intelligence community. One of its more significant results was the creation of the decline in the power and independence of the individual Service intelligence agencies. Moreover, institutions, relationships and distributions of responsibility of the pre-1960 period bear little resemblance to those that have evolved since that time.

The intelligence community is almost continuously under review or examination. Hardly a year has passed since 1960 without a major study of some aspect of intelligence activities being undertaken. Sixteen such reports have been selected for this review as being substantively significant, or particularly effective in bringing about improvement or advancing organizational evolution. The observations and recommendations of these sixteen reports have been assembled around a number of recurring topics and concerns. In this regard, one cautionary note seems appropriate: The cumulative impact of this review is necessarily more negative than the intelligence community's record of achievement would warrant, because the source materials used naturally tend to address what is wrong rather than what is right with intelligence activities.

The individual reports themselves have been condensed, but with all major points and recommendations preserved, and these are attached as annexes to this study.

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Glossary of Abbreviations

Annexes - Summaries of Original Source Materials

- A. The Joint Study Group Report - December 1960
- B. The Sprague Report - December 1960
- C. The Kirkpatrick-Schuyler-Coyne Report - April 1962
- D. The Cuban Missile Crisis Post Mortem - December 1962
- E. The CIA Long Range Plan - August 1965
- F. The Cunningham Report - December 1966
- G. The Shute Report - February 1967
- H. The Katzenbach Report - March 1967
- I. The HACIT Report - March 1968
- J. The Eaton Report - August 1968
- K. The Lindsay Report - December 1968
- L. The Bross Report - January 1969
- M. The Froehke Report - July 1969
- N. The Fitzhugh Blue Ribbon Panel Report - July 1970
- O. The Schlesinger Report - March 1971
- P. The President's Directive - November 1971
- Q. The Ford Letter - October 1974

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## SUMMARY

The basic authority for the intelligence community is the National Security Act of 1947, which has itself been elaborated upon seven times since by National Security Council Intelligence Directives (NSCID's). The most comprehensive is NSCID-1, which delineates the Director of Central Intelligence's Basic Duties and Responsibilities. The latest version of NSCID-1, which was revised in accordance with the President's Directive of November 1971, lays the groundwork for the DCI to assume a greater role as leader of the intelligence community, a development recommended by all major classified reviews of the community organization since 1960. These reports are virtually unanimous in stating that the DCI should not be physically separated from CIA in performing his community duties. An intelligence community staff drawn from all the intelligence agencies has been consistently recommended over the years, but little was done along this line until it was unequivocally directed by the President in 1971.

The United States Intelligence Board's functions and membership have been commented on frequently and usually not too favorably in terms of enhanced management of the community. USIB's expertise in substantive matters is effectively recognized in the President's 1971 Directive, which establishes the Board as one of two advisory bodies to the DCI, with the Intelligence Resources Advisory Committee (IRAC) being created to assume the responsibility for resource management.

The concentration under the Secretary of Defense of about 80 per cent of all intelligence resources made the establishment of the DCI's role in resource management for the community rather problematical. Despite the President's Directive charging the DCI with preparing a consolidated intelligence program budget for all intelligence activities, including tactical, he is not yet fully in control of the situation. A community resource management body was recommended in several reports, particularly as resources became more limited and hard choices as to program direction had to be made. A number of proposals were made over the years and the establishment of IRAC was intended to give the DCI the ability to carry out his community management responsibilities.

A single Defense intelligence authority has been sought since the Joint Study Group Report of 1960. Successive reports have variously proposed this role for the JCS, DIA and in the late 1960's for a new

official with a close relationship with the Secretary of Defense--first as a Special Assistant, then as a part-time task for the Assistant Secretary of Defense for Administration, and finally for the Assistant Secretary of Defense for Intelligence. A single Defense intelligence agency has also been repeatedly proposed, first as a function of the JCS, then as DIA, and then (after DIA seemed unable to assume all intelligence tasks and the Service intelligence agencies regained many of their prerogatives) as a new and powerful Director of Defense Intelligence or other new institutional creations. The President's Directive of 1971, however, retained DIA as the prime Defense intelligence agency.

Fragmented Defense resource management received frequent mention and several suggestions aimed at curing the situation were made. Nevertheless, centralized reviews of Defense resource allocations did not begin until 1970, and only began to be done effectively when the office of the Assistant Secretary of Defense for Intelligence was created in 1972.

Long-range resource planning was advocated repeatedly in many reports. It is still in the earliest stages of development and was not singled out as a specific task for the DCI by the President's Directive of 1971. Cross-program review of resources, also frequently referred to, has fared somewhat better, but it also is at an early stage of implementation as far as cost/effectiveness techniques for cross-program evaluation are concerned. At present, the review process centers on specific resource issues; true comparative evaluation across several programs is yet to be achieved.

Central management and control of tactical intelligence resources has been hampered by continuing disagreements over criteria for determining what is tactical intelligence, what is national intelligence and what is force support intelligence, and thus properly organic to the commands. Tactical intelligence resources have been estimated at about one-third of the budget of national intelligence resources. The President's Directive clearly charges the DCI with responsibility to include these resources in his consolidated intelligence budget, but the means to do so are yet to be worked out.

The contest between the National Security Agency (NSA) on one hand and the JCS bolstered by tactical forces on the other for control of certain Sigint resources, primarily in the electronic intelligence field, attracted attention of several review groups, particularly during the Vietnam War. Most of the reports recommended that NSA retain

control over such Sigint resources and that if such resources were needed by tactical commanders, they be budgeted for as part of the tactical force budget, but nevertheless not be denied to national intelligence users.

Intelligence activities of the Department of State have figured relatively little in the reports reviewed. Concern over the need for a national photo-intelligence center, found in reports in the early 1960's, has disappeared with the establishment of NPIC. Worry then turned to NPIC's ability to handle the workload as imagery satellites became more effective and the "take" increasingly abundant.

The disarray of community intelligence requirements is mentioned a number of times, notably in the Cunningham Report of 1966. In the absence of consumer guidance as to the most important matters, analysts tend to cover all bets by issuing requirements for much more information than was likely to be needed, or in fact could ever be used. The President's Directive gave the DCI, as one of his four major responsibilities, that of reconciling requirements and priorities within budgetary constraints and charged the USIB to advise him in this regard.

Relatively little space in this report is devoted to collection questions. Reviews and inquiries into various collection systems have been numerous, but are generally too specialized and narrow in scope to qualify for consideration by the Commission. The important matter of evaluating the effectiveness of collection as a whole is noted, but the difficulty of tying good information to the sources that produced it has apparently made any systematic approach to this process uncertain and imperfect.

Many reports, particularly in the mid-1960's, referred to the information explosion as a major problem. Technical collection advances were creating floods of information with no proportional increase in the analytical capacity to exploit it. The Schlesinger Report in 1971 pointed to the great increase in information collected by technical means, but noted that there had been little progress in developing human sources with access to foreign intentions, doctrines or political processes. Improvement of the analytical functions and the overall relevancy of the intelligence product was likewise of considerable concern, and many reports addressed it. The President's Directive described the need for product improvement as urgent and established the NSC Intelligence Community (NSCIC) as a consumer

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forum to give direction and guidance on production and to evaluate the usefulness of intelligence reports. Both this directive and President Ford's letter of October 1974 placed specific responsibility on the DCI to assure that national intelligence is of the highest quality to support foreign policy and military operations.

Few topics received as much attention in the reports as the need for consumer guidance to increase the pertinence and effectiveness of community activities. Several reports pointed to the fact that, in the absence of this guidance, the community was talking to itself, producing against its own requirements and operating with scant reference to what policy makers really needed. Both the Schlesinger Report and the President's Directive called for better consumer representation in community deliberations, and the NSCIC was set up to bring this about.

As to the Clandestine Services and covert action, the general finding of the reports that dealt with these subjects was that existing control and supervision over covert operations was adequate and that the imposition of further outside review authorities only carried the additional risk of disclosure without adding any important safeguards. The reports were also strongly opposed to separating the Clandestine Services from CIA or to splitting off the covert action function.

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A. The Direction of the Intelligence Community

I. The Basic Authority

The organic law of the intelligence community is contained in the National Security Act of 1947, as amended. Section 101 established the National Security Council to advise the President with respect to the integration of domestic, foreign and military policies relating to the national security.

Section 102 established the Central Intelligence Agency under the National Security Council (NSC) to be headed by the Director of Central Intelligence (DCI), with a Deputy Director of Central Intelligence to act for the DCI in his absence or disability.

Section 102 further stipulates that it shall be the duty of the Agency (the Central Intelligence Agency), for the purpose of coordinating the intelligence activities of the several departments and agencies and under the direction of the NSC, to:

- advise the NSC concerning such intelligence activities as relate to national security;
- make recommendations to the NSC for the coordination of such intelligence activities;
- correlate and evaluate intelligence relating to the national security and provide for the dissemination within the government, provided that the departments and other agencies shall continue to collect, evaluate, correlate and disseminate departmental intelligence, and provided that the DCI shall be responsible for protecting intelligence sources and methods from unauthorized disclosure;
- perform for existing intelligence agencies such additional services of common concern as the NSC determines can be more efficiently accomplished centrally.

To the extent recommended by the NSC and approved by the President, intelligence of the departments and agencies shall be open to inspection by the DCI and shall be made available to the DCI for correlation, evaluation and dissemination.

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The recognition in Section 102(d)(3) of the Act of departmental intelligence as continuing to be provided by the several existing departments and agencies has had lasting impact on the role of the DCI in coordinating the intelligence activities of the government. At the very least, the acknowledged responsibility for departmental intelligence has permitted the various intelligence services and agencies to continue to operate collection, processing and production systems for their own needs, leading to duplication, contrasting views on situations, and a continuing resistance to any central authority.

The provision that the DCI may inspect intelligence of the departments and agencies, though limited by implication to substantive matters, has tended over the years to be extended beyond substance to management and lately to resource matters, and in effect constitutes the basis for the DCI's survey power.

The National Security Council, in order to regulate and direct the intelligence activities of the government, has issued National Security Council Intelligence Directives (NSCID's) establishing basic policy for certain classes of intelligence activities. The number of NSCID's and their provisions have changed from time to time, but the present list of them is as follows:

NSCID-1	Basic Duties and Responsibilities
NSCID-2	Coordination of Overt Collection Activities
NSCID-3	Coordination of Intelligence Production
NSCID-4	The Defector Program
NSCID-5	U.S. Espionage and Counter Intelligence Activities Abroad
NSCID-6	Signals Intelligence
NSCID-7	Critical Intelligence Communications
NSCID-8	Photographic Interpretation

The NSCID's are further particularized and interpreted in a series of Director of Central Intelligence Directives (DCID's), related by number to the NSCID's from which they derive, which form the basic documentary means of coordinating the intelligence community, covering as they do in aggregate the greater part of the community's varied activities. Most of the current NSCID's and DCID's were last revised in 1972, so they are relevant to present-day organizations and functions. Efforts are under way to develop a single omnibus NSCID to incorporate the provisions of existing directives.

The most far-reaching of the NSCID's is NSCID-1, Basic Duties and Responsibilities. The current version, dated February 17, 1972, directs the DCI to coordinate the foreign intelligence activities of the United States; establishes the National Security Council Intelligence Committee to give direction to national substantive intelligence and provide consumer evaluation of the products; and directs the DCI to plan, review and evaluate all intelligence activities and the allocation of all intelligence resources, to produce national intelligence, to chair advisory boards and committees, and to establish and reconcile requirements and priorities within budgetary constraints. The DCI is also charged to prepare and submit a consolidated intelligence program/budget, to issue DCID's as appropriate, to formulate policy on arrangements with foreign governments on intelligence matters, to review security standards and practices, and to make such surveys of departmental intelligence activities as he may deem necessary to his responsibilities to the NSC. The directive goes on to establish the Intelligence Resources Advisory Committee (IRAC) to advise the DCI on the intelligence budget and the allocation of resources; to restructure the United States Intelligence Board (USIB) and define more explicitly than before its responsibilities to the DCI; to define national, departmental and interdepartmental intelligence; to stipulate roles in the protection of intelligence sources and methods; and, for the first time, to define the community responsibilities of the DCI.

2. The Director of Central Intelligence as Community Leader

As a result of the President's Directive of November 1971 and under the revised NSCID-1 of February 1972, the DCI is charged to seek the attainment of the following objectives as essential to the efficient and effective functioning of the intelligence community:

- continuing review of the responsiveness of the U.S. intelligence effort to national requirements;
- assurance of authoritative and responsible leadership of the community;
- achievement of more efficient use of intelligence resources;
- review and revision of intelligence functions and elimination of inefficient or outmoded activities;
- improvement in the quality, scope and timeliness of the community product;
- enhancement of U.S. policy through the provision and use of national intelligence

NSCID-1 as presently written is a major expansion and definition of the role of the DCI as community leader. A number of reviews of the intelligence community have addressed the leadership role of the DCI over the years.

The Joint Study Group Report of 1960 observed that there was no common understanding of how to achieve coordination, that the role of the DCI and of CIA in coordination lacked clarity, and that there was considerable confusion as to how the DCI was to operate. The report noted that coordination could be construed as either command or persuasion and that it could be carried out through leadership in new intelligence programs, identification of new problem areas, investigation of problems under the right to survey intelligence activities, and the solution of problems by agreed cooperation under the leadership of the coordinator. Even in 1960 the Joint Study Group was urging a stronger management role on the DCI and recommended that he act to achieve more effective community coordination through "command channels." This recommendation was approved by the NSC.

In 1968 the Eaton Report urged the DCI to make authoritative and consistent determinations as to the validity of requirements in relation to the costs of meeting them and the effectiveness of resources in satisfying intelligence needs. The broad guidance needed from the DCI could be in the form of a proposed National Intelligence Plan setting forth objectives, targets and priorities for the Secretary of Defense, the community and program managers so that resources would be available to respond to present and foreseeable requirements.

In 1969 the Bross Report, addressing the community role of the DCI, observed that both President Kennedy (January 16, 1962) and President Johnson (September 24, 1965) had characterized the DCI as the "principal intelligence officer of the government" and had directed the DCI to act as the leader of the intelligence community as his primary task.

The Schlesinger Report in March 1971 proposed three options for the creation of a leader of the community who would control intelligence resources, manage most resources, and coordinate resources appropriated elsewhere. The first option was a Director of National Intelligence who would control all major intelligence resources, leaving the Defense Department only the tactical. The second option was a Director of Central

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Intelligence who would preserve the roles and missions of the DCI at that time, except for the responsibility for a consolidated intelligence program and budget. The third option proposed a Coordinator of National Intelligence as an NSC or White House overseer with emphasis on resource management, consumer needs and output evaluation.

President Nixon's Directive of November 5, 1971, was based on the second Schlesinger option and stated: "I am directing the Director of Central Intelligence to assume leadership of the community in planning, reviewing, coordinating and evaluating all intelligence programs and activities, and in the production of intelligence. I shall look to him to improve the performance of the community, to provide his judgments on the efficiency and effectiveness of all intelligence programs and activities (including tactical intelligence), and to recommend the appropriate allocation of resources to be devoted to intelligence." NSCID-1 of February 1972 was written to implement the President's Directive.

President Ford, in his October 9, 1974, letter, reaffirmed the responsibilities charged to the DCI as "leader of the intelligence community."

### 3. The Separation of the DCI from CIA

From time to time proposals have been made to separate the DCI from the agency which he heads, usually on the grounds that to do so would enable him to play a more active role in managing or directing the community. Such an idea appears in the Joint Study Group Report of 1960, the Bross Report in 1969 and the Schlesinger Report of 1971, but is by no means confined to these references. The studies covered in this review have come out against such a move, but the idea reappears almost every time the scope of DCI powers are under discussion.

The Joint Study Group of 1960 observed that it was possible to separate the DCI from CIA with a small community staff or with a larger group to carry on the estimating of current intelligence and planning functions as well. It was noted that such a move would require a change in existing legislation and, moreover, would deny the President one man to look to for substance as well as covert action and could lead to the formation of a large DCI staff duplicating much of what CIA could provide. The Defense member of the Study Group, contending that DCI coordina-

tion was not working, suggested immediate separation. The other members preferred trying the idea of a community staff for the DCI drawn from all community agencies to handle coordination problems before so drastic a step was taken. Such a staff was not formed, however, and the idea of separating the DCI from the Agency for more freedom to coordinate the community persisted.

During the staff discussions in the preparation of the Eaton Report of 1968, the idea reappeared in the novel suggestion that the DCI be separated from CIA so that he could exercise centralized authority over both CIA and NSA, effectively insulating the latter from encroachments it was then experiencing from the Services and the Joint Chiefs of Staff (JCS). This suggestion did not surface in the final Eaton Report.

The Bross Report in 1969 referred to the proposals to separate the DCI from the Agency and establish him as over-all coordinator in the Executive Office Building and observed that any such move would create a substantial legal problem in view of the National Security Act of 1947, clearly establishing the DCI as the head of CIA. Moreover, Mr. Bross said such a move would mean the dismemberment of elaborate arrangements in CIA to support the DCI in the production of national intelligence. In addition, to function as coordinator, the DCI would need a substantial staff for support of national functions which would clearly be too large to fit in the Executive Office Building. Without such back-up, it would be impossible for the DCI, as the "principal intelligence officer," to "authenticate the significance of substantive developments or the value of resource programs and activities."

The third option in the Schlesinger Report in 1971 for a leader of the community posed a Coordinator of National Intelligence in the NSC or White House staff structure. Schlesinger noted that such a position would not require legislative action, but could lead to unproductive competition between the Coordinator and the White House staff and would be less likely than the other options to accomplish the improvements in product and resource economies the President was seeking.

The President's Directive in November 1971 in selecting Schlesinger's second option--a DCI with much the same as his existing authorities--implicitly rejects the separation of the DCI from CIA. The Directive states that the DCI must delegate

direct authority to the Deputy Director (as far as is possible without legislation) for the plans programs and day-to-day operations of CIA and must assume overall leadership of the community. Much the same enjoiner was made by Presidents Kennedy and Johnson.

4. The DCI's Community Staff

As an alternative to separating the DCI from CIA, the Joint Study Group in 1960 recommended the formation of a DCI staff drawn from the entire community. The Study Group took account that the then Coordination Staff of three, headed by General Lucien K. Truscott and charged to coordinate the community through revising NSCID's and DCID's, was regarded elsewhere as part of CIA and did not meet the need for a management unit to support the DCI in coordination apart from the help of the Office of National Estimates and the CIA Directorates. The Group Report recommended a full-time staff of professionals, loyal to the community at large and solely responsible to the DCI to assist him through use of the survey powers provided in NSCID-1.

In 1962 the Kirkpatrick-Schuyler-Coyne Report noted the then current plan to abolish the DCI's Assistant for Coordination (held by General Truscott) and to replace it with a post designated as the Assistant for Coordination and Community Guidance. The Report recommended this office be responsible for representing the DCI in contact with senior intelligence officials, developing Signit policy, reviewing community efforts in support of national policy, and reviewing CIA efforts as they related to the community's efforts. The Report further recommended that the group be staffed with senior professionals since problems hitherto defying solution would need to be confronted.

The position of Deputy to the DCI for National Intelligence Programs Evaluation (NIPE) was established in 1963 under John Bross with a staff larger than General Truscott's and with similar responsibilities. Personnel were entirely from CIA, so a community character for the staff was not established, although it began to move outside CIA into community problems.

The Eaton Report in 1968 urged the DCI to consider not only broadening the functional scope, but also strengthening the representation of the military and civilian intelligence community on the staff (NIPE) which assists him in discharging his national

planning and program guidance responsibilities. It recommended the inclusion for extended tours of senior military officers, Foreign Service Officers and others with appropriate expertise, and noted that such a staff structure would contribute to more objective planning and evaluation; ensure the needs of the military would not be overlooked; and raise confidence in the proposed National Intelligence Plan and short-term program guidance.

The Bross Report of 1969 recommended that the NIPE staff be expanded and its mission clarified. The staff should have the authority to deal with all components in the CIA, support the newly created National Intelligence Resources Board (NIRB) (set up to advise the DCI on resource issues), hold custody of the Target Oriented Display (developed to relate costs of resources to their substantive targets), represent the DCI in Defense program reviews, produce long-range intelligence plans, provide systems analysis support to the DCI and maintain relations with the President's Foreign Intelligence Advisory Board (PFIAB). Bross also asked that the chairmen of USIB resource-related committees be placed on the NIPE staff. In the next three years, the NIPE staff grew slowly, but still drawing its people from CIA, except for a National Security Agency (NSA) representative added in 1972.

In 1971 the Schlesinger Report observed that, although the DCI had established a NIPE staff and the NIRB, efforts at management through these institutions were being resisted and their contribution to the DCI's authority was small. Schlesinger believed the DCI's staff should at least have program and budget authority over resources; control over allocated resources; supervision of R&D; inspection of program operations; and the review, if not the original production, of national intelligence estimates and net assessments.

The President's Directive of November 1971 instructed in unequivocal terms the formation of an increased and restructured personal staff for the DCI to assist him in carrying out his responsibilities as coordinator and in playing a major role in the resolution of major issues.

When Mr. Schlesinger became the DCI in February 1973, one of his first actions was to transform the NIPE staff into the Intelligence Community staff and to man it with a much larger proportion of officers assigned from Defense, notably from DIA, and from outside the community.



5. The Role of the United States Intelligence Board

The United States Intelligence Board, previously called the Intelligence Advisory Committee, was set up by the first NSCID-1 with the DCI as its chairman. The latest (February 1972) version of NSCID-1 sets forth USIB's responsibilities as being to advise and assist the DCI with respect to the establishment of appropriate intelligence objectives, requirements and priorities; the production of national intelligence; the supervision of the dissemination and security of intelligence material; the protection of intelligence sources and methods; and, as appropriate, policies regarding arrangements with foreign governments on intelligence matters.

The Joint Study Group in 1960 noted that USIB was primarily a deliberative body emphasizing estimates, but by no means devoting equal time to its coordinating responsibilities. It had failed to produce an overall program to guide the community, and problems before the Board were all too frequently merely noted or referred to a committee. The Joint Study Group Report recommended that USIB have a management mechanism for problems involving several parts of the community, and these problems should be carefully screened before coming before the Board. The NSC proposed that the screening and management role be assigned to the DCI's Assistant for Coordination, a measure which failed to be carried out.

Other reviews of the community during the 1960's touched rather lightly on USIB matters, generally observing USIB's inability or reluctance to deal with resource matters and the fact that USIB requirements would require more resources than were currently available to cover the needs--and the resources themselves were under pressure for reduction.

The Schlesinger Report was quite emphatic in describing the USIB as ineffective, because it was a collection of equals; it was dominated by producers and some collectors who avoided criticizing each other; its requirements could mean all things to all collectors and failed to control collection; and it had no consumer representatives as members and so could not reflect consumer guidance. After noting these deficiencies, the Schlesinger Report merely noted, without any specific proposals, the possible need to restructure the Board or perhaps to replace it or add to it a Consumer Council to provide consumer representation in community discussions.

The President's Directive in November 1971 directed that USIB be reconstituted under the DCI's chairmanship to serve as one of the two major community committees to advise the DCI--one for production and requirements (USIB) and one for resource allocations (IRAC).

In addition to USIB functional problems, the membership of USIB has come in for comment from time to time. The Joint Study Group in 1960 objected to the preponderance of military members, with the three Services and the JCS each a member, and suggested a reduction to four members--the DCI, State, Defense and the JCS, with the FBI and AEC represented when their interests were affected. The creation of the Defense Intelligence Agency (DIA) in 1961 soon led to the replacement of JCS representation and the downgrading of Service representatives as observers; DIA represented Defense, except for the National Security Agency.

The Fitzhugh Report of July 1970 concurred in this arrangement in proposing to replace DIA with the suggested new Director of Defense Intelligence as the only Defense member. The same proposal appeared in the Schlesinger Report a year later.

The President's November 1971 Directive and the NSCID-1 of February 1972 established USIB membership as the DCI; the Deputy Director of Central Intelligence (who had long represented CIA); the Director of Intelligence and Research (State Department); and representatives of NSA, DIA, AEC, FBI and Treasury. In addition, representatives of the Assistant Secretary of Defense/Intelligence (ASD/I) and the National Reconnaissance Office (NRO) are present for most USIB meetings to participate in resource matters.

#### 6. The Role of the Executive Committee

The Executive Committee for the National Reconnaissance Office is now composed of the DCI, as chairman, the Assistant Secretary of Defense/Intelligence and the Director of NRO, ex officio. ExCom, as this group has come to be known, formerly included the President's Scientific Advisor. Since this position was abolished in 1972, there has been no channel for the introduction into intelligence matters, even as technical as those concerning the NRO, of scientific advice at a level to draw on the best such information as can be made available. ExCom is also frequently attended by observers from the State Department,

CIA, NSC, DDR&E of Defense, and the Office of Management and Budget (OMB). The ExCom meets three or four times a year, in close tie with the budget cycle, and concerns itself mainly with planning R&D, procurement and deployment problems of the U.S. overhead reconnaissance effort.

The ExCom was established in 1965 after a series of differences between the Air Force and CIA over roles and missions in overhead reconnaissance, which were accommodated to some degree in an agreement of August 1965.

The Long-Range Plan of CIA in 1965 urged strong DCI-USIB direction of overhead reconnaissance, in view of the fact that such systems lent themselves to quite direct guidance, in order to maintain some control over the large costs of overhead collection. The National Reconnaissance Program is still conducted as to missions and targeting in response to direction from USIB through committees of Comiree (The Committee on Imagery Reconnaissance and Exploitation).

The Eaton Report in 1968 called for close NRO-NSA collaboration to eliminate marginal overhead Signit collection systems and to determine if some conventional electronic intelligence (Elint) collection, then covered from ground stations, might be better done by satellite. The Bross Report in 1969 suggested that thought be given to improving means to insure that allocations of responsibility and funds for overhead reconnaissance research be as equitable as possible between CIA and the Air Force. This matter continues as a major concern of ExCom.

The Froehlke Report in 1969 proposed an Executive Council for Defense Intelligence to either supersede or serve in addition to the ExCom. Membership was to be the Deputy Secretary of Defense, as chairman; the DCI, the President's Scientific Advisor; the Chairman of the JCS; the Director of Defense Research and Engineering (DDR&E); and the proposed Special Assistant to the Secretary of Defense for Intelligence--an expansion of ExCom membership at that time. The proposed Council was to have broader powers than ExCom had over all Defense resource programs as to level of effort, allocations of R&D funds and responsibilities, program modifications, and resource issues. The Froehlke proposal was not carried out in this particular.

The Schlesinger Report in 1971, for all the range of its coverage, virtually ignored the matter of ExCom and overhead reconnaissance except to observe that the transfer of all NRO assets to a single manager (instead of the split management between CIA and the Air Force) would save an estimated [ ] in 1972 and [ ] by 1975. No recommendation was made as to the identity of the "single manager." The President's Directive of 1971 simply noted that the present management structure of NRO should be retained, implicitly rejecting the single manager idea.

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B. Selected Intra-Community Relationships

1. A Single DOD Intelligence Authority

Several reviews of the intelligence community--the Joint Study Group Report, the House Appropriations Committee Investigative Team Report, the Froehlke Report, the Fitzhugh Report and the Schlesinger Report, and others not covered by this review--have noted the need to put the much fragmented Defense or military intelligence activities under a single authority who would assign tasks to the Services or other Defense organizations.

The Joint Study Group in 1960 observed that, although the Defense Reorganization Act of 1958 was bringing about a stronger JCS, this was not curing management problems of Defense intelligence. The Study Group proposed revising NSCID's so as to assign responsibility for all military intelligence to the Secretary of Defense, who could then delegate specific tasks to the Services and JCS as he saw fit. The Secretary of Defense would thus serve as the authoritative focal point to maintain cognizance over resources and reduce waste and duplication.

The House Appropriations Committee Investigative Team (HACIT) Report in 1968 recalled that when DIA was established in 1961, it was intended to have responsibility for the overall management of all Defense intelligence assets, but that DIA had been unable to carry this out largely because the Services had not assigned to DIA officers trained in management and systems analysis.

The Froehlke Report in 1969 went back to the creation in 1953 of the position of Assistant to the Secretary of Defense (Special Operations) which had existed until the formation of DIA in 1961. This assistant was to have had sweeping powers to recommend policies, guide programming, review plans and programs, develop DOD positions on intelligence issues and recommend economies to the Secretary. In practice, the position was primarily concerned with NSA and in even this case was handicapped by the lack of clear-cut resource authority. Such powers as the position had were transferred to DIA, but DIA's preoccupation with substantive matters led to the atrophy of its assigned management responsibilities. Mr. Froehlke was thus led to recommend to the Secretary of Defense the appointment

of one individual as Special Assistant to the Secretary of Defense to be responsible for intelligence resource management and to advise the Secretary and Deputy Secretary on all other intelligence matters. The Special Assistant would also be the Defense management contact with the DCI, OMB, PFIAB and other non-DOD intelligence organizations and would represent the Secretary of Defense in such discussions. As to the size of the Special Assistant's staff, Mr. Froehlke offered three options, the last so large as to threaten to invoke Congressional disapproval; but, as Froehlke noted, the staff should be at least large enough to do something about the fragmentation of the Defense intelligence community. Mr. Froehlke believed that the Special Assistant task would not be a full-time one, and he was subsequently assigned most of the responsibilities he proposed as additional duties to his position as Assistant Secretary of Defense/Administration. The nucleus of the present ASD/I organization was formed.

The Fitzhugh Report of 1970 echoed Mr. Froehlke's recommendations in calling for a single individual to represent the Secretary of Defense in dealing with other intelligence agencies and to coordinate and direct all intelligence activities in Defense. This position was to be a full-time Assistant Secretary of Defense for Intelligence, replacing the Assistant Secretary for Administration.

The Schlesinger Report, a year later, likewise noted the lack of central management of Defense intelligence activities and the fact that the ASD/A was ineffective in this role because he could not control all Defense intelligence programs and was, besides, preoccupied with administrative concerns. Schlesinger supported the Fitzhugh recommendation for a full-time ASD/I as a second alternative to an even more powerful Director of Defense Intelligence with control over all intelligence activities and resources, including tactical, and with clear-cut authority to speak for the Secretary of Defense in all intelligence matters.

The President's Directive of 1971 did not address directly the need for a single intelligence authority in Defense, but did note that intelligence collection, largely managed by Defense, must come under more effective management and closer coordination with other intelligence programs.

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After 14 years of perceptions of the need, a strong central authority for Defense intelligence is emerging in the form of the Assistant Secretary for Intelligence. Although a number of intelligence and intelligence-related activities are carried on by DDR&E, Systems Analysis, DIA and the JCS, much of the fragmentation is being reduced by the authority of the ASD/I.

## 2. A Single Defense Intelligence Agency

Closely related to the matter of a single authority over Defense intelligence activities has been the question of a single intelligence agency in Defense. The Joint Study Group tentatively suggested that integration of the Service intelligence activities might be helped by the establishment of a single intelligence service for Defense, even though the special expertise of the Services would still be needed. The implication in the Study Group Report was that the JCS, gaining authority since the Defense Reorganization Act of 1958, might be that single service. This one offhand suggestion is pointed to as the origin of DIA, which was established shortly thereafter in 1961.

The effort to centralize Defense intelligence activities seems to have been left to DIA to work out for several years after it was formed. The HACIT Report in 1968 noted that, while DIA was originally intended to produce all finished intelligence for all Defense components and for national level production, it had become so overloaded that much of its basic work was being subcontracted back to the Services while DIA was trending toward becoming more of a manager of production than a producer. As for the Service intelligence organizations, they had nearly doubled in personnel since DIA was formed.

By 1969 it appears to have been generally recognized that the DIA solution was not enough, and a more powerful central authority was needed. The Froehlke Report called for a Special Assistant to the Secretary of Defense, but did not mention DIA as such. The Fitzhugh Report in 1970 proposed a second Deputy Secretary of Defense for Operations (requiring a legislative change) and under him an ASD/I with the additional title of Director of Defense Intelligence (DDI). This official would be the Defense representative on USIB; direct and control all Defense intelligence activities not organic to combat forces; review all intelligence programs and recommend resource

allocations; review and evaluate requirements for collection and production and evaluate the products; conduct periodic evaluations of Defense intelligence processes; review and consolidate intelligence R&D; and develop procedures to protect sources and methods. Under the DDI there would be a Defense Security Command controlling all Defense collection activities not organic to combat forces, and a Defense Intelligence Production Agency to replace DIA. The latter would provide current intelligence, threat assessments, finished intelligence and estimates, and would manage and coordinate all Defense intelligence production, including that organic to combat forces.

The Schlesinger Report in 1971 supported the Fitzhugh recommendations for a Director of Defense Intelligence in control of all intelligence production and resources and offered a less powerful ASD/I as a second option. The President's Directive in November 1971, however, called for the retention of DIA, which was to be fully responsive to the JCS for support of military planning and operations.

### 3. The Authority of NSA Versus the Military

The position of NSA and its Director vis-a-vis the JCS has been a recurring concern in several of the reports covered in this review--in the Joint Study Group Report, the Eaton Report, the Bross Report and the Fitzhugh Report. The core of this issue has been control over collection resources, largely for electronic intelligence (Elint) purposes.

The Joint Study Group Report in 1960 expressed doubt that the major portion of Elint resources should be in the Unified and Specified Commands (U-S Commands), a situation which worked against unified control of U.S. Sigint activities, but also noted that dynamic and aggressive leadership on the part of the Director of NSA (D/NSA) was needed to handle the problem. NSA was being adversely affected by the concept of partnership with the Services, and more and more of NSA's authority was being exercised by the military departments and the Service Cryptologic Agencies (SCA's). The Study Group reemphasized that it was NSA's responsibility under NSCID-6 to develop an effective, unified organization and to control the activities of the SCA's, if necessary with the help of the Secretary of Defense to enjoin full cooperation by the military departments. The Report recommended the Secretary of Defense move to place more of the Elint resources under NSA and to review the partnership concept so as to strengthen the authority of the Director of NSA over the SCA's.



Aggravated by progressive take-overs of Sigint resources budgeted for NSA but needed by the military (particularly during the Vietnam War), the NSA-Services conflict surfaced in the Eaton Report in 1968. This report noted the lack of confidence between NSA and the Services as to each other's ability to perform its share of complementary services; the Services lacked confidence in NSA's ability to support military operations; NSA was convinced that the Services would take over Comint and Elint resources and deny them to national use. The problems of the Director of NSA were seen to derive from his lack of access to the Secretary of Defense and others in Defense with claims on Sigint resources; from Service directives to the SCA's which ignored or overrode D/NSA's authority and responsibilities; from the inadequacy of military representation at NSA management levels; and from the physical isolation of NSA at Fort Meade.

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The Eaton Report recommended strengthening of the authority of NSA over the SCA's; review by D/NSA of the SCA's use of resources; and resistance to further military removal of Sigint resources from NSA's control. The principle was stated that, if military Elint resources were properly part of a tactical force, they should be considered as organic to that force as its weapons and should be budgeted for as such and subjected to the same constraints as other force-related budget items. "The fact that these resources will have to be evaluated against other Service requirements should discipline their acquisition in the face of budgetary and other limits."

In 1969 the Bross Report echoed the Eaton views and called for the development of criteria by which resources could be identified as either national or tactical, recommending that if in doubt, the resources should be designated national. Bross also agreed with Eaton that when resources were designated as tactical, they should be removed from the intelligence program in Defense-Program III and enter the general forces program-Program II and there compete for funds with other general force items. Froehke commented on the NSA-Services problem only as a further illustration of the fragmentation of intelligence activities and the need for an authority to resolve the issue.

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The Fitzhugh Report in 1970 seems to be the high point for the authority of the Director of NSA. As head of the proposed Defense Security Command (DSECC) the Director of NSA would "command all designated Defense collection and processing activities, delegating management as necessary." Implicitly, under such overwhelming authority, the SCA problem would disappear.

The Schlesinger Report in 1971 merely noted the disarray in Defense management where NSA was unable to control the SCA's to develop a coherent Sigint program and recommended establishing NSA as a truly national cryptologic service, consolidating the SCA's and saving [ ] in one year alone.

25X1

The Presidential Directive in 1971 called for a unified National Cryptologic Command under the Director of NSA to be established by Defense directive.

The concept of a Central Security Service (CSS) derives from Schlesinger's recommendation, and the Director of NSA has the CSS as part of his title. In practical fact, a CSS has never come about, and the staff set up for it has dwindled to about five people. Nevertheless, with this idea and the progressive Sigint withdrawal from overseas where the intercept stations were manned by SCA personnel, the power and independence of the SCA's are waning and a single national cryptologic service is becoming more of a possibility.

4. The State Department, the Foreign Service and Intelligence

There has been little mention of the State Department, its Bureau of Intelligence Research or the Foreign Service in the studies read for this review. The Joint Study Group commented that State and the Foreign Service seemed indifferent to intelligence and recommended that State place more emphasis on intelligence in indoctrinating field personnel. The Kirkpatrick-Schuyler-Coyne Report in 1962 only urged CIA to establish central coordination and control over contacts by Clandestine Service personnel with counterparts in State and drew attention to the perennial differences between State and CIA over cover positions abroad. The Shute Report in 1967 called on State to restore its membership in the National Indications Center to ensure political views were reflected in strategic warning analysis. The Katzenback Report of 1967 touches on

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State in the course of an historical review of mechanisms for reviewing and approving covert operations.

5. A Single Photo Interpretation Center

Although no longer a major source of dispute, the problem of the management and location of a national photo interpretation center was addressed in several reports--the Joint Study Group, Kirkpatrick-Schuyler-Coyne, the CIA Long-Range Plan, the Shute and Bross Reports.

In connection with what was then called visual-aerial collection, the Joint Study Group Report in 1960 noted that CIA was developing a photo interpretation (PI) center in collaboration with Army and Navy, and that another center was under development at the Strategic Air Command. The two centers would need to be brought together for the best use of SAMOS photography, and the community had agreed that a central PI facility should be established for quick, initial read-out, with the interpretation and collateral data then going to the agencies for more specialized interpretation. The question was whether such a center should be in CIA or in Defense. If the prime need were for strategic warning, Defense should have it, particularly since Congress would be reluctant to increase CIA's budget. In any case, the decision should be reached through consultation between the DCI and the Secretary of Defense and a new NSCID drawn up to reflect the decision (subsequently NSCID-8).

The Kirkpatrick-Schuyler-Coyne Report in 1962 called for USIB to review the workload at what had come to be called the National Photo Interpretation Center (NPIC); it was doubtful NPIC could keep up with the volumes of satellite photography expected in the coming months and prompt processing was a must.

The Long-Range Plan of CIA in 1965 also noted that NPIC was having its troubles with the information explosion and called for a review of NSCID-8, particularly the provision for the transfer of NPIC to Defense in wartime. It also noted that NPIC personnel increases as projected would account for over half of CIA's expansion over the next five years, but acknowledged that more trained photo interpreters would be essential to keep up with the flow of photography.

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The Shute Report on Strategic Warning in 1967 called for closer integration of photography as a source of warning information and suggested NIC-NPIC joint read-out teams for specialized scanning in terms of crisis and the development of a Reconnaissance Warning Survey as a guide to read-out recognition of indications of hostilities.

The Bross Report in 1969 observed that, while NPIC seemed appropriately located in the Directorate of Intelligence in CIA, future developments might argue for a quasi-independent status for it as a service of common concern as future imagery collection expanded.

Neither the Schlesinger Report nor the Presidential Directive in 1971 addressed NPIC as an issue.

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### C. Resource Planning and Management

#### 1. The Authority of the DCI over Resources

The general authority of the DCI as community leader has already been discussed. This section addresses the specific role of the DCI with respect to the community's resources. This role is much less clear and established than the DCI's position as final substantive authority for the community's product. The need for overall resource authority is of fairly recent origin; it has emerged only as the upward growth of community budgets has been halted and hard choices have had to be made on the amounts and locations of reductions in allocations.

25X1 The Joint Study Group Report and others in the early and mid-1960's are silent on resource authority and management, but by the time of the Eaton Report in 1968, it was being proposed that the DCI take a greater part in Defense resource decisions, primarily by establishing general guidance, planning and comparing resource options to anticipated community needs.

The Bross Report in 1969 was the first of the studies used in this review to include DCI responsibility in the resource area as part of the coordination of national intelligence activities, the responsibility being to ensure that resources produce the information needed by policy makers. This report complained that no mechanism existed to review and control the four large intelligence resource programs in their entirety and that resource issues were identified and decided so rapidly that the DCI was unable to formulate his position as part of the decision process, particularly in terms of the substantive impacts of resource choices. Bross looked to the Target Oriented Display resource accounting system and the National Intelligence Resources Board as means of keeping in touch with issues and permitting the DCI to have greater influence in program reviews.

Neither the Froehke nor the Fitzhugh Reports, which were concerned with the Defense Department, addressed themselves to the DCI's role in resource management.

The Schlesinger Report in 1971 notes correctly that the DCI's authority in resources had been minimal because he was essentially a competitor for resources for Agency programs and could expect little influence over the 85 per cent of the total

community resources which were under control of the Secretary of Defense. NIPE and NIRE were of little value to the DCI, and USIB was ineffective on resource matters. Schlesinger's options for a stronger community leader clearly included control over all resources in one case and a review function in the other by means of a Consolidated Intelligence Program and Budget to be presented to the President.

This view seems to be reflected in the Presidential Directive of November 1971, which charged the DCI to plan and review all intelligence activities and the allocation of all intelligence resources through preparing a consolidated intelligence program budget which would include tactical intelligence. President Ford, in his letter of October 9, 1974, asked the DCI to continue to exercise leadership by planning and reviewing all intelligence programs and resources, including tactical intelligence, for a consolidated program budget, considering the comparative effectiveness of collection programs and relative priorities among intelligence targets.

2. A Community Resource Management Body

As is the case with all aspects of resource management, there was little pressure to evaluate and control resource levels and allocations while budgetary trends were climbing upward. In the late 1960's rising manpower costs, increased cost and complexity of collection systems and growing manpower figures for community agencies ran into Bureau of the Budget, Presidential and Congressional opposition, and the need became all too apparent for some means of limiting the upward trend and distributing available dollars where they would do the most good.

The Joint Study Group Report called on USIB to play a more constructive role in community management and suggested that agencies' intelligence programs be reviewed by USIB for consistency and adherence to guidance before being submitted as budget items. The report recognized that USIB as then constituted would be unable to do this, but proposed that a management group of senior officials from all the agencies be set up under USIB for program review. The NSC, in going over the Group's recommendations, proposed this function be moved to the DCI's Assistant for Coordination. The Group also noted that differences in agency accounting systems made track keeping difficult and urged USIB to refine techniques for cost and manpower

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accounting by identifying which activities were properly intelligence in function and thus appropriately under the DCI and USIB.

In 1968 the Eaton Report noted the recent creation of the National Intelligence Resources Board and hoped it would be helpful to the DCI in evaluating information produced against the resources which produced it in order to arrive at some relative effectiveness rating to guide resource allocation. During the work of the Eaton Panel, several suggestions were made to high levels in Defense for greater community participation in Defense resource considerations, but these were rejected as unwarranted intrusions into Defense business.

The Bross Report in 1969 observed that no mechanism existed to control the four large resource programs in their totality, and that USIB resource-related committees had not been involved in resource matters beyond laying on requirements.

In some rather vague respects, the Executive Council for Defense Intelligence, suggested by Froehle in 1969, might have served as a community management body since he proposed that it guide and participate in the formulation of resource programs and advise the Secretary of Defense on appropriate resource levels, allocations and the approval of programs, and since its membership included the DCI and the Scientific Advisor in addition to senior Defense officials.

The Fitzhugh Report of 1970 failed to address community management and concentrated on Defense management machinery. Schlesinger in 1971 noted that DCI efforts at management through NIPE and NIRB were resisted and generally ineffective and that USIB was likewise ineffective in a management role, but failed to specify an alternative community device that might work.

The President's Directive in November 1971 did, however, go to this problem by creating an Intelligence Resources Advisory Committee (IRAC), chaired by the DCI with senior members from Defense, State, OMB and CIA to advise the DCI on the preparation of the intelligence budget and the allocation of resources among programs. IRAC and its Working Group constitute today's community management device and are progressively filling out the role such a body must play.

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3. A Single DOD Resource Manager

The need for a single central resource management authority over the scattered Defense intelligence assets has been mentioned in the Joint Study Group, HACIT, Eaton, Bross, Froehlke, Fitzhugh and Schlesinger Reports. In 1960, however, the Joint Study Group did comment on the need for an authoritative focal point in USD and commented that the JCS, though stronger by the Defense Reorganization Act of 1958, still was unable to effectively impose management on the Services. They recommended the Secretary of Defense make military intelligence conform to that Act by establishing an authority in the Office of the Secretary of Defense to review military intelligence programs and by strengthening the JCS with more resources and giving it authority over the intelligence activities of the U&S Commands. The NSC called for implementing this after study by the JCS, and there the matter rested for awhile.

The HACIT Report of 1968 noted DIA's inability to exercise overall management of DOD intelligence assets because of a shortage of management-trained officers and commented that DIA's Consolidated Intelligence Program (CIP) lacked hard criteria as to what should be included in it. Moreover, the CIP was too detailed and onerous, requiring about 175,000 man hours to prepare required inputs. Management by resource issue was proposed as a more effective method and attention was urged to the developmental work on this theme being done in ASD/Systems Analysis.

The Eaton Report in 1968 called for a central review in Defense where all programs could be looked at as a whole, otherwise the magnitude of the intelligence effort would reach unacceptable proportions, and in the ensuing reductions, effective resources could suffer along with marginal ones. The Secretary of Defense should ensure that the Consolidated Cryptologic Program (CCP) was properly reviewed, compared and subject to a single decision procedure properly phased with the budget cycle.

The Bross Report in 1969 cited as a most perplexing problem the provision for centralized review of the three large Defense programs to ensure they were efficiently interrelated. Control channels differed for each program, although the DCI



was involved in each and would be assisted by the NRB. It was generally conceded that the programs should remain the responsibility of the Deputy Secretary of Defense, but he would need a staff and a senior head of it to advise him. Making the Director of DIA the review authority would involve his double loyalty to the JCS and to the Secretary of Defense. Creating a full scale ASD/Intelligence could set up a competitive substantive center opposite DIA. Perhaps the best move would be to set up a Special Assistant to the Deputy Secretary of Defense with a small staff for resource matters with one of the early tasks to make uniform the control by the Secretary of Defense over all the program managers.

Mr. Froehlke, as ASD/Administration, went directly to the problem by recommending to Mr. Laird that he name one individual to act as the Special Assistant to the Secretary of Defense to be responsible for intelligence resource management and to act as adviser on all other intelligence matters. He would make the trade-offs among the problems and act for the Secretary in directing certain broad management activities other than resources. He would not manage tactical resources, but should be cognizant of them and their impact on national resources. He would set up a Consolidated Defense Intelligence Program (CDIP) for all Defense intelligence resources and develop a Five-Year Intelligence Resource Plan for future allocations. Mr. Froehlke got the job, and as he observed, it was not a full-time one.

The Fitzhugh Report in 1970 found it necessary to observe that there was little or no coordination of scattered Defense intelligence activities leading to much duplication, waste and overcollection of unusable information. The Panel called for establishing a second Deputy Secretary for Operations and making him the Secretary's agent in intelligence matters through an ASD/Intelligence to serve also as Director of Defense Intelligence. He would review all programs, evaluate activities and recommend to the Deputy Secretary of Defense for Operations on allocations.

The Schlesinger Report declared that in intelligence management, ASD/Administration was proving ineffective because he could not control all programs and was more absorbed in administrative matters, and the Deputy Secretary was too busy

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to devote much time to intelligence. He supported the Fitzhugh Report in its call for a Director of Defense Intelligence, or an ASD/I full time as a weaker alternative. The President's Directive of November 1971 was notably nonspecific regarding Defense intelligence, noting only that intelligence collection programs (largely financed by Defense) must come under more effective management and coordination with other intelligence programs.

4. Long-Range Planning

Long-range planning has been slow in developing in the intelligence community. Except for the Long-Range (15 year) Plan directed by Admiral Raborn as DCI in 1965 and confined to CIA, there have been no real plans made for any organization or function. Papers called "Plans" exist all over, but they are seldom more than assemblies of objectives and could stand unchanged (and often do) for years. Certainly, nothing resembling a community plan was attempted until late 1972, and that was necessarily quite general in tone.

The Joint Study Group Report in its last chapter, "The Future," observed that intelligence was too often the handmaiden to current operations to the detriment of long-term considerations. Attention should be paid to future troubles and future technological developments. The community should set up arrangements for planning its work and anticipating its problems as far ahead as it can. Lyman Kirkpatrick, who chaired the Joint Study Group, logically got the job five years later to put together the Raborn Long-Range Plan for CIA in 1965. The plan projected international situations as far ahead as it reasonably could and tried to sketch out what these would require in CIA responses. It also took note of internal Agency trends, projecting them out to where decisions would be required or procedures adjusted; for example, the probable mass retirement in the early 1970's of the first generation of CIA and the manning and management problems this would cause. The plan expatiated on the virtues of planning and called for the setting up of a permanent planning staff.

During the late 1960's such planning as then was part of the Planning, Programming and Budgets System (PPBS) set in vogue under McNamara in Defense. This planning was essentially short term (five years at best) and confined to a given agency, practically by definition. The HACIT Report of 1968 only brushes the planning idea, largely as necessary for resource issue study.

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The Eaton Report later in 1968 urges the preparation of a long-range National Intelligence Plan "to assure that effective resources are available to meet the needs of the government." It put planning in the DCI's community staff as a major function to provide a base for DCI guidance to the community and to resource program managers. For example, it urged that planning for intercept needs in the 1970's be begun at once to guide decisions on the closing of overseas stations. The Bross Report in 1969, so comprehensive in other respects, was silent on the planning function.

The Froehlke Report of 1969 urged a Five-Year Intelligence Resources Plan to improve resource allocations by bearing future needs in mind as a key responsibility for the Special Assistant being proposed. Such a plan would strive to permit early resource decisions (especially for long lead items), explore the likely adequacy of resources against future need, and analyze resource implications of future requirements. The Schlesinger Report of 1971 notes that the absence of planning has led to overemphasis on collection and intakes of volumes of information beyond any prospect of being used, but fails to specify the need for planning and the means to develop it. The President's Directive of 1971 failed to assign planning as a specific task to any of the organizations it established to support the expanded role of the DCI.

##### 5. Cross-Program Review

The concept of cross-program review is a recent development. Most of the 1960's were taken up in trying to find out how best to review a single program, and practice varied from very detailed scrutiny (as with the CCP) to practically no review at all (as with the NRP). Cross-program review became a reasonable procedure only with the emergence in Mr. Froehlke's staff of a resource authority, ostensibly over all programs, although it took several years to "normalize" the NRO which refused even to participate in the first such review in the summer of 1970.

One major block to cross-program review has always been the great differences in accounting procedures among the programs and the differing standards as to what is in and what is out of each program. Some efforts at standardization have been attempted--notably the Target-Oriented Display, its successor the Consolidated Intelligence Resource Information System (CIRIS), and the studies of a potential Intelligence Management Information System (IMIS). As yet, no final solution has been found.

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The HACIT Report in 1968 was vehement in detailing the problems of working with the CIP of DIA, noting that an outside review of the CIP in 1966 had found it ineffective in cost cutting--90 per cent of the reductions were cuts in sought increases rather than cuts in ongoing costs--and in manpower control. Moreover, the differences in cost structures between the CIP and the Service and other budgets made ultimate tracking between program and budget line items virtually impossible, especially Operations and Maintenance (O&M) which accounted for 45 per cent of the program. Instead of the CIP, the report suggested working through specific resource issues to get at program problems. The Eaton Report noted briefly similar problems with the CCP. The CDIP proposed by Froehle to enfold all three major Defense programs, has encountered the same obstacles, but can transcend them by being content with fairly large aggregations as building blocks.

Another problem in cross-program review is the identification and selection of resource issues. In basic terms, this means that, confronted with a hard Congressional or Presidential ceiling on the total intelligence effort, where are cuts taken so as to let some more useful or future-oriented project or operation grow and yet stay under the dollar or manpower limits? This brings in the art of evaluation, and there has not yet been developed a way to measure the value of information produced versus the cost of its acquisition in a uniform way for all the elements in all the programs. Systems have been proposed, but none yet adopted to replace the subjective "feel" by participants in the cross-program review. This can lead to an impression of arbitrariness, especially by those whose projects are cut, and reclaims are much resorted to.

The nature of the situation with which cross-program review must contend is best described by Schlesinger. More or less verbatim, his report says:

In recent years the line between military and nonmilitary intelligence has faded; S&T intelligence is worked on by everyone; national and tactical intelligence are harder to separate; and technical advances have created new collection possibilities which do not fit into traditional divisions and are not covered by any uniform national policy. With no governing body over the community, the community

has resorted to compromises adversely affecting cost and performance. The distribution of functions is increasingly fragmented and disorganized. Community activities have become dominated by collection competition, which is unproductively duplicative and accounts for 75 per cent of the intelligence budget. Community members compete for control and dominance based on collection capabilities, leading to a great redundancy of data. Collection systems remain in operation beyond their useful lives, and as they age, they drop from national use and are taken over at command and tactical levels where they continue to collect largely redundant data. The community's growth has been unplanned and unguided; resource decisions have been made without serious forward planning; the consumer fails to define his needs; the producer encourages collection just in case; and the collector emphasizes quantity of output over quality. There are few attempts at interagency trade-offs and comparisons. Budgetary control is no substitute for centralized management.

#### 6. Control of R&D

R&D decisions are peculiarly important and expensive. With each approval of an R&D proposal, there is implicit acceptance of the cost-tail reaching beyond it in testing, procurements, training, deployment and ultimately replacement and termination.

In 1960 the Joint Study Group took note of the absence of R&D coordination, with overlapping projects being developed without reference to one another, and recommended closer Defense-CIA contacts on R&D proposals with intelligence uses. In 1962 the Kirkpatrick-Schuyler-Coyne Report recommended that CIA R&D be placed under the new Deputy Director for Research for better control and economy, but that it drop control as a project became operational; its personnel as scientists would be relatively inexperienced at operations. The Long-Range Plan of CIA in 1965 recommended that the Agency set aside 3 per cent to 5 per cent of its budget for long-term research not to be diverted by day-to-day technical requirements. The Bross Report of 1969 noted the unique R&D position of CIA's Directorate of Science and Technology where R&D could be focused entirely

on intelligence purposes, whereas in the Services, R&D could easily be diverted or subordinated to weapons ends. Froehke put R&D funding and allocation under the Executive Council for Defense Intelligence to ensure thorough review of all proposals for new systems. Fitzhugh gave this responsibility for consolidating and reviewing R&D to his proposed Director of Defense Intelligence.

## 7. Tactical Intelligence Resources

Tactical intelligence resources under the military departments, the JCS and the U&S Commands and their component commands have been a difficult subject for years. During the Vietnam War, the Services took over, for tactical purposes, numerous systems and men budgeted for by NSA in the CCP as national resources. The Eaton Report weighed in against this practice and set the principle, repeated by Bross, that resources designated as tactical or used for tactical ends should be put in the general forces programs of the Services and kept there and budgeted in competition with weapons and other cost items in that program. Because of varying criteria for identification, the actual aggregate cost of tactical intelligence is virtually impossible to determine, although it is estimated to be about one-third of the attributed sum to national intelligence. Control of this vast aggregation is thus a most important matter.

In the 1960's and earlier, it was unthinkable that the DCI should have any handle on tactical intelligence; this was clearly up to the JCS and the Services. As it has become more and more essential that intelligence be brought under fiscal control, attention has been drawn to the need for the DCI as the principal intelligence officer of the government to be able to speak for tactical, as well as national, resources and so this charge was put on him by President Nixon's Directive in 1971 and reiterated in President Ford's letter of October 9, 1974.

The HACIT Report in 1968 in discussing DIA's Consolidated Intelligence Plan noted that the plan was blurred by the lack of firm criteria as to what should be included in it and that a number of tactical assets of use to national intelligence lay outside it and were thus not under DIA scrutiny for efficiency and duplication.

As Eaton noted in 1968, the Services, for their part, were becoming increasingly concerned at the trend toward centralizing

in NSA functions traditionally performed for the Services by the SCA's. The civilian character of NSA did not add to the Services' confidence that these functions and resources could be depended upon in the event of a crisis or war. This was particularly true of Elint resources, which in many cases, are practically indistinguishable from those of Electronic Warfare.

The Bross Report in 1969 echoed the Eaton Report, but pointed out that the DCI and national intelligence agencies were in danger of losing control over assets for which they had budgeted and held responsibility. Bross called for criteria to be developed to give tactical commanders operational control over resources needed in operations while recognizing that distinctions between national and tactical were often artificial. In case of doubt, the choice should be to designate the resource as national.

The Froehke Report had the proposed Special Assistant not responsible for tactical resources, but aware of them for their impacts on national intelligence. Fitzhugh narrowed "tactical" to resources organic to combat forces and also excluded them from the control of his proposed Director of Defense Intelligence, although he would have the authority to coordinate intelligence production which was organic to combat forces.

The Schlesinger Report in 1971 would have the Director of Defense Intelligence responsible for tactical, as well as national, resources. Schlesinger estimated that the DDI's review of tactical intelligence could save \$12 million in 1972 and \$200 million by 1975. The President in November 1971 said he would look to the DCI to provide judgments on the efficiency and effectiveness of all intelligence programs and activities (including tactical intelligence) and to recommend the appropriate allocation of resources to be devoted to intelligence.

Tactical intelligence resources are too numerous, diverse and scattered to be brought under supervision easily. Implementation of the DCI's new authority and responsibility for tactical resources will be a slow process.

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#### D. Requirements

The roots of the requirements problem seem to lie in the tendency of analysts to strive for virtual encyclopedic information on the areas of their concern. In the absence of guidance from consumers, the analyst, wishing to be able to answer any and all questions on his topic, tends to ask collectors for much more information than he can ever use but wants to have at hand just in case. The aggregate effect of this is a virtually unmanageable collection of requirements on the record but, because of their very bulk, of little use to collection. The situation is aggravated by the tendency of analysts to find it easier to put out another requirement rather than search the files to see if the information is already available.

The Joint Study Group observed in 1960 that there was no mechanism to guide collection by selective levying of requirements and evaluating the information returned. There was no single place to check if the needed information was already available. There were too many people in too many requirements mills. USIB's Priority National Intelligence Objectives (PNIOs) were ineffective and diffuse. Military requirements were heavily duplicative as among the Services. There was no across-the-board coordination and no central review or clearing house. The whole area of requirements was severely undisciplined. The Study recommended that USIB set up a central requirements facility and a program for uniform USIB collection guides and country basis, leaving specific requirements to the several agencies. It also recommended that military requirements be coordinated within Defense to reduce duplication and avoid concentration on low-level targets.

The Cuban Missile Crisis Post Mortem in 1962 noted that, while intelligence requirements were comprehensive, they failed adequately to target the offensive aspects of the Soviet build-up and tended to be too all-inclusive.

The CIA Long Range Plan in 1965 again urged tighter control of requirements by USIB, noting that a continuing challenge over the years has been the levying of requirements in a discriminating systematic manner. This challenge could be met in part by the application of systems analysis and cost-effectiveness techniques to tighten the definition of what further information is needed in the light of the cost of acquiring it.



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The Cunningham Report of 1966 is entirely devoted to the requirements problem and is as valid today as when it was written. The principal findings of this Report were that CIA was collecting too much information and that, failing to get important information, it was flooding the system with secondary material. The volumes of information were degrading production, making the recognition of significant information more difficult in the mass of the trivial. There was no definition of what the Government really needed from intelligence and so the community operated on its own assumptions which tended to cover everything, again just in case. Efforts to establish priorities were a failure; there was no evidence that collectors would act any differently under a different ordering. Collectors would tend to get what was easy to get regardless of the priority or lack of it. The community had only the beginnings of a capability to correlate one collection system with another so each could concentrate on what it could uniquely do, and it had not even begun to distinguish between what was essential in information and what was merely nice to know.

As to the management of requirements, the Report declared that validation was haphazard and coordination imperfect. There was too little communication between analysts and collectors so that analysts could know what each collector was capable of, and requirements were issued with no attention to processing and analytical abilities to handle the information requested. The Cunningham Report, in an effort to bring requirements under some degree of control, set forth the following guidelines:

- define the Government's needs;
- challenge the community's assumptions;
- identify the most important gaps and prioritize them;
- reduce the volume of requirements;
- train the analysts to write fewer but better requirements;
- discriminate between the important and the trivial;
- record oral requirements;
- systematize the validation of requirements;
- improve analyst-collector communication;
- systematize operational support;
- analyze the true need for any new collection system;
- evaluate what has already been collected;
- stop covering the whole world superficially.

In 1968, the HACIT Report was quite critical of DIA's handling of requirements. DIA collection and management was by SICRs (Specific Intelligence Collection Requirement), verifying that an

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information gap existed and that collection to cover it was feasible. Validation procedures were not refined enough to prevent duplication, and, because of inadequate data retrieval, validation depended on the memory of the validator. SICRs are often too broad, are levied on the wrong collector and subject to varying management at various echelons. No criteria existed to balance the need for information against the cost of getting it (a much repeated theme). The Eaton Report in 1968 said much the same things as they applied to SIGINT. The comprehensive Bross Report in 1969 was strangely silent on requirements.

The Froehle Report in 1969 touched lightly on requirements, observing that there was no way to evaluate requirements in terms of objectives. No one knew the minimum level of information that would satisfy a requirement, but that resource limits would force the community to collect at minimum levels so as to leave increasingly scarce assets free to cover other needs. The Fitzhugh Report in 1970 also noted that more information was being collected than could ever be used and that there was no procedure to evaluate the validity of requirements, the effectiveness of collection production and the value of the product.

The Schlesinger Report in 1971 observed that USIB's requirements were too all-inclusive and that this robbed them of effect. This situation hampered USIB's role in managing resources; it would be difficult to press for reductions when standing USIB requirements called for more resources than the community had.

The President's Directive of November 1971 assigned as one of the DCI's four major responsibilities the reconciling of intelligence requirements and priorities within budgetary constraints and charged USIB to advise and assist the DCI in carrying out this responsibility. President Ford's letter of October 1974 continues this charge on the DCI; the annual consolidated program budget should consider the comparative effectiveness of collection programs and the relative priorities among intelligence targets.

## E. Collection

(This section makes no attempt to cover the large and diverse field of collection; it only records past comments on selected recurrent matters.)

### 1. Evaluating Collection

The evaluation of collection systems is essential to the management of the intelligence community, enabling managers to identify marginal efforts for reduction or termination in the event of a budget cut and to preserve the more productive systems. Most intelligence is assembled, as Mr. Bross observed, from a number of often tangential fragments of information from a wide array of sources, and in the process the relative contributions of the various sources become virtually impossible to distinguish. This situation makes coherent and consistent evaluation of collectors very difficult and has impeded efforts to this end in recent years.

The need to evaluate collection emerges first in the CIA Long Range Plan in 1965 where a call is made for the application of cost effectiveness techniques and systems analysis to requirements with consequent effect on decisions to acquire new collection systems.

The Cunningham Report in 1966 is more extensive in discussing this problem. It noted that evaluation by analysts was disorganized, wasteful and burdensome. The initiative for evaluation often came from the collector to the analyst, and the latter, not wishing to cut off a possible source of data, tended to praise the collector and ask for "more of the same," regardless of actual or potential need. As a result, collectors acquired favorable "report cards," regardless of true performance or the community's need for their information in the light of other sources. In addition, certain collectors resisted evaluation and were reluctant to risk their systems or operations to comparison with others. As a partial solution, the report recommended that more contact be encouraged between analyst and collector and that analysts become more aware of the costs of systems providing them information. The report also observed that the variety of information contributing to analysis and the arrival at a view of a situation was so diverse as to make relative distinction as to source contribution a matter of guess rather than

systematic judgment. In the absence of clear understanding of what the Government needed from intelligence, evaluation of sources' relevance to consumer needs was problematical at best, in the absence of standards for system effectiveness.

While the Cunningham Report deals specifically with collection evaluation, other reports treat it implicitly in repeated expressions of need for some relative grading of sources so the more effective can be identified and supported and the less productive cut back when reductions are necessary. The HACIT Report in 1968 commented that no criteria existed for source evaluation or for balancing the cost of obtaining information against the value of having it. The Eaton Report, also in 1968, called for the DCI to make authoritative and consistent determinations as to the effectiveness of sources in satisfying intelligence needs as expressed in a National Intelligence Plan. These determinations and derived DCI guidance should provide a basis for decision as to what resources should be reduced, expanded, or replaced with new systems.

The Froehke Report in 1969 set as one major objective a mechanism for making comparisons among programs toward developing the most efficient intelligence system, implicitly based on some means of distinguishing the productive collector from the less so. The Fitzhugh Report in 1970 also noted the absence of any effective mechanism to allocate collection resources for the most economical collection effort or to evaluate the effectiveness of collection and production. Throughout the Schlesinger Report, the inability of the community to identify and promote the effective collectors and reduce the ineffective is pointed to as an example of management shortcoming requiring change and correction. The consumer fails to define his needs, the producer encourages collection just in case, and the collector emphasizes quantity over quality. The emphasis on collection as the key to success downplays production and analysis and output is guided by collection and technology.

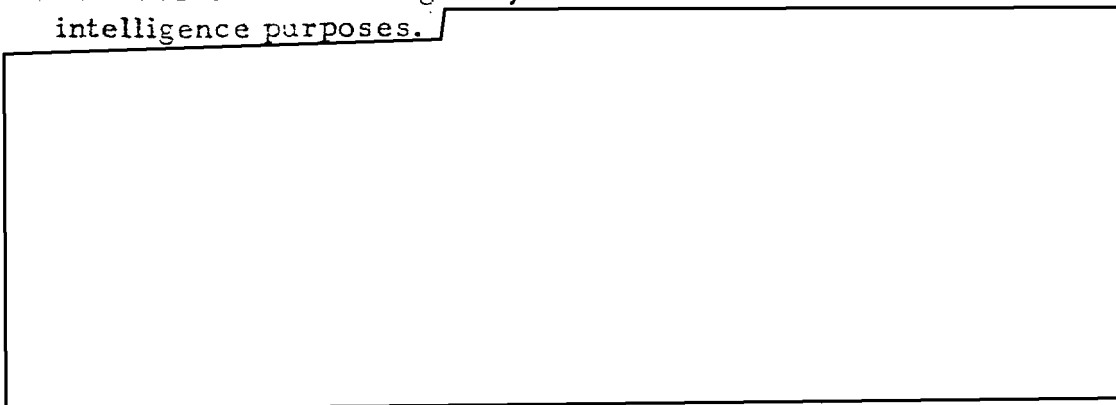
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3. Expansion of Overt Collection

Overt collection seems often to be overlooked in the emphasis on clandestine and technical collectors, but overtly acquired information is the bedrock of much intelligence analysis. The Joint Study Group urged greater use of FSOs, Attaches and contacts with U.S. business with interests abroad to increase the flow of this useful data and hoped that MAAGs could also be encouraged by the JCS to use their accesses for intelligence purposes.

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F. ProductionI. The Information Explosion

Technical advances in collection over the past decade and a half, particularly in imagery, have created floods of information with no proportional increase in analytical personnel to use it all--and this is likely to be compounded with the advent of real-time imagery.

The Joint Study Group in 1960 made little reference to any information explosion; satellite imagery was still a few years away and the exponential increase in data had not yet begun. By 1965, however, the Long Range Plan of CIA took account of the technological revolution which was producing great amounts of information on capabilities but very little on intentions, noting that the ability to process and analyze all this data was by no means able to keep up, particularly in the case of NPIC. As was so often the case in the mid-60's, Automatic Data Processing (ADP) was looked to for solutions, and the Plan, noting expenditures of [ ] for collection and only [ ] on ADP, urged sizeable increases in the ADP effort under an Agency-wide plan.

The Cunningham Report in 1966 criticized the ethic of the Long Range Plan for its "More is Better" emphasis and rejected the implicit idea that anything can be solved by adding more facts. We were hypnotized by statistics and bits of information, particularly in the military and academia. The problem, as Cunningham saw it, was that once we developed a collection capability we used it, and it acquired a momentum of its own, controlling us, rather than vice versa. For example, the programming of photo-satellite launches was more governed by the need for more photography. In information communications, where CIA was handling [ ] messages in 1950, it was handling [ ] in 1965, an increase of [ ] times. And all this data was multiplied many times over by the indiscriminate use of xeroxes everywhere. The great problem was to determine what to store and retrieve by ADP, and this would have to be derived from some new and rigorous definition of what intelligence was all about and for. The unmanaged state of intelligence had led to a huge proliferation of paper--" [ ]

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published in [ ] each year." Analysts were becoming superficial because of the piles of paper in their in-boxes, and any analysis in depth was becoming out of the question. The belief that we had to cover the whole world was leading to further superficiality and simplistic analysis, and, moreover, much effort was being applied to topics and situations the U. S. was unwilling or powerless to do anything about. Much of what intelligence considered its responsibilities were our own response to vague guidelines or transient indications of interest at top levels. More and more, the community was talking to itself.

In 1967, the Shute Report, in examining the warning potential of new technical collection systems on the drawing boards, warned that information floods of unimaginable proportions could be expected which could make the search for indications of hostile intentions even more difficult.

In 1968, the HACIT Report strongly criticized the DIA Minicard data storage and retrieval system as being too slow, poor in coding and poor in reproducing documents as needed. This was no help to analysts in coping with the streams of documents crossing their desks. Furthermore, there was less and less compatibility among DOD document systems. Inadequate retrieval affected the overall effectiveness of intelligence and only accelerated the information explosion. If it were impossible to know what data is available, there was no ground to deny a requirement for collecting more of the same. Distrusting central files, analysts set up their own in a duplicative and wasteful manner, and, because of the incompatibilities among systems, become more and more tied to one data base or only a fraction of it.

The Eaton Report in 1967 and the Bross Report in 1969 made some scattered references to the information explosion, Bross tentatively proposing a limit on the number of publications circulated outside the producing department or agency in order to cut down the flow of paper about the community. The Fitzhugh Report in 1970 observed that the imbalances in allocating resources were leading to much more information being collected than could ever be used, and the tendency of the community to produce intelligence for the community was only aggravating the paper problem.

The Schlesinger Report in 1971 noted that there had been a great increase in information collected but little improvement in uncertainty over foreign intentions, doctrines or political processes. Raw information was becoming proxy for analysis, inference and estimation. There was a pressing need for fundamental reform in the community's decision-making bodies and procedures. The emphasis on collection as the key to success downplays production and analysis, production became a stepchild, analysts were swamped with data and output was guided by collection technology. In this atmosphere, hypothesis hardened into dogma and fresh thinking was discouraged.

## 2. Improving the Product

Improving the intelligence product has been a continuing concern of intelligence officers at all levels, but the authors of some of these studies evidently felt that not enough progress was being made. Although, as noted above, many deficiencies were attributed to the information explosion, there were other ideas about what was wrong.

The Kirkpatrick-Schuyler-Coyne Report of 1962 noted the need to impose some form of control and recommended that all CIA material going to the White House be channeled through a focal point in the DDI. State Department had been unhappy at the dissemination to the White House of uncoordinated memoranda by CIA production offices, and charged that, while these papers were represented as "think pieces," they were actually influencing policy and should be reviewed by other agencies. The HACIT Report in 1968 noted that DIA production was often delayed or watered down by problems of resolving inter-Service differences of view but proposed no solution.

The Schlesinger Report in 1971, noting the continuing uncertainty about foreign intentions despite the great increase in information collected, called for the refinement of evaluation and improvement in political estimates so as to be more responsive to consumer needs. Improvement could come from a coherently reorganized community, and the following steps could improve the usefulness of the intelligence product:



- provide for a major consumer representation in the intelligence community with a restructured USIB or a Consumer Council;
- put the responsibility for quality control and product evaluation in the producing agencies;
- upgrade analytical centers to provide for more competition of ideas, and specifically improve DIA's ability to compete with CIA's military intelligence;
- provide for a review of production by outsiders, with specific references to hypotheses and working methods;
- establish a Net Assessments Group at the national level to question community hypotheses;
- provide incentives to attract and encourage good analysts, better career opportunities and ways to retain good analysts as analysts regardless of their grade levels;
- improve research into new analytical methodologies.

The leadership of the community must be charged with product improvement as a matter of the highest priority.

The President's Directive of November 1971 took much the same tone: "The need for an improved intelligence product and for greater efficiency in the use of resources allocated to intelligence is urgent." It called for improvement in the quality, scope and timeliness of the community's product. The NSCIC established by the directive was to give direction and guidance on national substantive intelligence needs and provide a continuing evaluation of intelligence products from the consumer viewpoint. The directive also proposed that resources devoted to analysis and production should increase, analyst personnel should be upgraded and there should be more rewarding analyst careers, including the opportunity to reach high salary levels while remaining an analyst. The DCI was charged with preparing a comprehensive program focused upon improving the intelligence process and product.

The Ford letter of October 1974 reiterated the charge that the DCI should insure that our intelligence is of the highest quality attainable--that it supports the planning for and the conduct of U. S. foreign policies and military operations.

3. Basic Substantive Research

It has been a longstanding view of observers of the intelligence community that the emphasis on currency and response to events was undermining the foundations of good intelligence in thoughtful, thorough basic research. As early as the Kirkpatrick-Schuyler-Coyne Report of 1962, concern was expressed at the inadequacy and diffusion of research on international communism, and it was recommended that, since a failure in this area would fall on his shoulders, the DCI should look into the situation. This was repeated in the CIA Long Range Plan of 1965, calling for increased political research for the prognosis of communist political capabilities and intentions. The Shute Report in 1967 noted the need for specialized research by the NIC or elsewhere designed to improve the precision and currency of indicators of hostile enemy intentions.

The Bross Report of 1969 took note of the general impression that research in CIA was inadequate, diffused and too short-term and that there was a lack of a solid research base in political and social matters which had been blamed for analytical insensitivity to certain trends and to the "cosmic" issues of population, poverty, pollution, etc. The work of the Special Research Staff of the DDI was primarily concentrated on deep historical research into the Soviet and Chinese political systems, but their papers tended to be long, detailed and scholarly in a diffident way and almost entirely used by fellow analysts. In general, the concentration on current problems was eating up the research base built up over past years, leaving us with scant resources to face the problems of the future or to exploit new analytical techniques. He called for a thorough review looking to a proper deployment of research tasks in-house, external in the community, or to academic and think-tank facilities.

4. Strategic Warning and the National Indications Center.

In view of the fact that providing strategic warning is, or ought to be, the primary task of the intelligence community, the relative lack of discussion of warning in the reports reviewed is somewhat surprising.

The Joint Study Group in 1960 recommended USIB review the status of the NIC and the level of its staffing, which was felt to be too small, and ensure that it received all the information it needed, regardless of sensitivity or operational character. The Kirkpatrick-Schuyler-Coyne Report of 1962 gave considerable space to the NIC and Watch Committee, noting that opinions on the NIC varied from a desire to abolish it to general satisfaction with it. The idea was advanced that the NIC and/or its function should be transferred to DIA with representation from USIB agencies assigned there. Even then, there was pressure for restoration of State participation which had been withdrawn for budgetary reasons around 1960. The Long Range Plan of 1965 called for more research in indications and exhortation to analysts in general to pay attention to indications in the traffic they scanned.

The Shute Report of 1967 dealt exclusively in depth with the warning function and is too diverse and comprehensive in its findings to be usefully discussed here. A digest of the Report is an annex to this report.

The Bross Report in 1969 called for a recommendation of the duties and responsibilities of the Watch Committee. The Committee should look to improving NIC operations, including the use of ADP and modern analytic techniques, and a decision should be reached as to whether the NIC should be transferred to OCI in CIA or to DIA for closer contact with the National Military Command Center.

5. Compartmentation and Its Effects

The dilemma between protecting sensitive information and sources and making use of them is an old and continuing one. Even as early as the Joint Study Group Report in 1960 it was observed that the arbitrary barriers between SIGINT and other forms of intelligence were impeding full use of the SIGINT product and the Report recommended that compartments should be reduced since they only draw attention and do not add to security. The best solution would be to increase integration of all levels of information and take steps to increase security on all intelligence matters. The particular circumstance of a shortage of translators and the unavailability of foreign-born persons under current regulations

was urgently in need of rectification. USIB was urged to review existing compartmentation to develop uniform regulations and ensure that vital information would get to the right people.

The Kirkpatrick-Schuyler-Coyne Report in 1962 took note of the extraordinary security applied to certain messages, such as those from the President to and from Khrushchev, and urged the DCI to take up with the President directly the need to see all pertinent sensitive messages dealing with foreign affairs which could affect intelligence operations or views. Contrastingly, the Cuban Missile Post Mortem observed that the limitation on the publication (in the August-October 1962 period) of information on Soviet offensive weapons systems in Cuba kept action controls in the highest policy circles and gave policy makers more freedom to arrive at decisions and to initiate actions.

Cunningham in 1966 also observed that the emphasis on compartmentation was impeding the proper and selective tasking of collection toward one information goal. The Clandestine Services, for example, were generally unaware of what technical collection--SIGINT and overhead reconnaissance--could and did collect and not infrequently used their assets unnecessarily to collect what already had been acquired. The Shute Report in 1967 stressed the need in the warning process for information on U. S. policies and operations which could prompt Soviet reaction and noted that, while furnishing of such information was provided for by NSC Directive, the rule was far more honored in the breach than in the observation.

Froehle in 1969 made quite a point of the community's tendency to overclassify. One of his major objectives was to improve the flow of intelligence by realistic security policies in order to reduce overclassification and overcompartmentation of information. This would require coordination with the DCI and all elements of the community. Overcompartmentation could deny necessary information to those charged with reviewing intelligence programs. The Fitzhugh Report took note that there were three major special systems and many

programs to protect sensitive information, each managed by a different organization jealously guarding access to its information. This impeded judgment on the need to exploit versus the need to protect sensitive information. The report urged a review of these inhibiting procedures to bring about freer information flow. The Schlesinger Report in 1971 also held the view that compartmentation within security systems hid or obscured comparable capabilities from evaluation, comparison and trade-off analysis.

### G. Consumer Feedback

Few topics have received as much mention or have been represented as such a powerful solution to community problems as better consumer feedback or guidance to the community's activities. Great improvements in community management, economies, focusing of resources and pertinence of production have been attributed to any means of obtaining clearer perceptions of what the Government really needs from the intelligence community.

The CIA Long Range Plan in 1965 spoke of the need for more and more frequent briefings of the Congress and non-security agencies of the Executive Branch to expand the Government's awareness of what the community could do for decision makers.

The Cunningham Report on requirements in 1966 laid considerable blame for the volumes and disarray of requirements to the failure of consumers and the Government in general to define what was needed from intelligence, and the report observed that, in the absence of such guidance, the community tended to try to cover all possible future questions by asking for answers in advance, just in case. The first Cunningham guideline was to define the Government's needs, and the remainder of his guidelines (see Section D) seem to flow from that. Without a determination of what was essential to consumers, middle levels of management were free to order massive and indiscriminate coverage, especially in the military. As the Cunningham Report put it, the community's disease was not indigestion but gluttony. Much of what the community was doing was in response to vague guidance or transient interest, but in most of its work the community was talking to itself. Leaders had been habituated to high expectations but now needed to be persuaded to let the community serve them better by concentrating on crucial problems and fundamentals and not on the incidental or trivial.

The Fitzhugh Report in 1970 noted the tendency of the community to produce intelligence for itself and to ignore the requirements of those with valid needs for support. The basic objective of the community should be to get the right information to the right people at the right time. At the same time, this report commented that there did not seem to be any effective mechanism for intelligence users to express their needs. As a result the Defense intelligence community appeared to function largely in response to its own require-

ments and those from elsewhere in the national intelligence community. The Fitzhugh Report called for periodic assessments of the value of the Defense intelligence product to users outside the Defense Department.

The Schlesinger Report was even more forceful on the subject of consumer guidance. It observed that the community's growth had been unplanned and unguided; the consumer had failed to define his needs; the producer encouraged collection just in case; and the collector emphasized quantity over quality. Part of USIB's ineffectiveness lay in its inability to reflect consumer guidance to the community because no representatives of consumers sat on the Board. The Report called for major consumer representation in the community either through a restructured USIB or through a Consumer Council to question community views and help shape the intelligence product to best answer consumer needs.

The President's Directive of November 1971 demanded that the responsiveness of the U.S. intelligence effort to national requirements be subject to continuing review. A more effective review of intelligence product quality and policy must be provided to the DCI, especially by high-level national consumers. The Directive established the National Security Council Intelligence Committee to give direction and guidance as to national substantive needs and provide continuing evaluation of substantive products from the viewpoint of the consumer. Other changes in the consumer-producer relationship might be needed to achieve a more effective reconciliation of consumer demands with the limited resources available for intelligence production.

Improvement in the scope and precision of consumer guidance to the production process would seem to be fundamental to tightening up the management of all intelligence processes.

## H. The Clandestine Services and Covert Action

(Nearly every report reviewed for this study, especially those dealing with CIA or originating there, made some mention of the Clandestine Services and covert action. This section addresses a few of the more frequently discussed topics.)

### I. Coordination and Direction

The Joint Study Group Report of 1960, regarding coordination, merely noted that clandestine collection should be carefully coordinated with other types of collection so as to make the most effective use of clandestine assets. The CIA Long Range Plan of 1965 stressed that the Clandestine Services (CS), which could expect to be called on for more operations as Communist subversion increased, needed to operate in CIA in greater clandestinity and isolation to preserve its effectiveness. [ ] new positions would be needed for the CS in the next five years to enable the CS to carry anticipated loads.

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The Katzenbach Report of 1967 traced the covert action policy of the U. S. Government from 1947 on in its Appendix C, beginning with NSC Directive 4A of December 1947 directing the DCI to undertake covert action and to ensure that operations were consistent with U. S. policy through liaison with State and Defense. The definition of covert action was subsequently progressively refined through NSC directives, and a succession of review and coordination bodies were set up, starting with the NSC 10/2 Panel in 1948, and going on through the Psychological Strategy Board in 1951, the Operations Coordination Board in 1953, the 10/2 Panel again and finally in 1955 the 5412 Committee, later known as the 303 Committee and then the 40 Committee. Throughout this history the criterion for submitting projects for review was the political sensitivity of the proposal or, on occasion, the amount of funding involved. Since the 303 Committee or Special Group was set up, participation in covert action (CA) approval has expanded, and approval has been no mere formality--many projects have been turned down for a variety of reasons. And the views of the Ambassador in the country where the project is to be run are most influential.



The Lindsay Report of 1968, an extensive treatment of the Clandestine Services and covert action, observed that CIA did not need additional supervisory control in these activities but rather stricter standards applied internally. Superimposing more Congressional committees would be unlikely to do much good and could do harm. But CIA did need high standards of professional clandestinity, consideration of overt alternatives, restraint on self-generated projects, early consideration of ways and times for project termination, and close evaluation of risk and disaster plans if an operation were exposed.

The Lindsay Report, which was addressed to the President-elect in December 1968, noted that covert action by the U.S. had come under increasing public scrutiny and that operations, acceptable in the cold war years of the Fifties, were now more subject to criticism. A review of the whole scope of community activities should be made because of its size and the political risks it posed for the Government. The President should be quickly informed of critical aspects of covert operations and should inform himself of their benefits, costs and controls. The President has the right to expect CIA to recommend against projects with a high risk of disclosure and to keep secret the activities it has been instructed to carry out. The application of rigid security would reduce substantially the number and scope of CIA covert operations and this would reduce risks of exposure and Presidential problems with Congress and the public.

Related to the matter of the direction and control of covert action is the question of where the covert action organization should be located. Through the years numerous proposals have been made to separate the CS and covert action from the rest of CIA. The Bross Report in 1969 noted that it would be unlikely that the CS could function effectively under State, nor would the public be served by putting the CS under Defense. Neither State nor Defense would tolerate a covert arm being established in the other. The report concluded that CIA was appropriately staffed, experienced and competent to perform clandestine functions under well-established policy controls at the highest levels of government. No conceivable benefit could result from the transfer of this function elsewhere. Dealing with proposals to separate covert action from espionage and counterintelligence, the Bross Report maintained

that such a separation proved calamitous for the [ ] and the lesson is to keep the CS and covert action as close together as possible since they were inextricably connected, often used the same assets and must be prevented from tripping over each other. Altogether, separation of covert action from the CS would be extremely unwise.

This view is shared in the Lindsay Report of 1968. Covert operations should be handled by the same agency which handles clandestine collection; separation would be a mistake. Moreover, it would also be a mistake to separate the CS from the analytical and estimating functions of CIA. The President needs a single source for both collection and analysis and an independent check on estimates prepared by other departments to defend their budgets.

As to the authority of the DCI, the Bross Report calls for the DCI to assert more aggressively the coordinating authority of NSCID 5. He should require, in addition to assurances of no great risk, some positive evidence of value and gain, with such judgments being made by a group not exclusively in the Directorate of Plans.

## 2. Military Clandestine Operations

The Joint Study Group Report in 1960 declared that military clandestine operations must be considered with national policy requirements and called for the military, particularly the Army, to improve their clandestine capabilities. There was no view that CIA should pre-empt all clandestine collection; the military clearly required clandestine operations of their own in time of war, but their professionalism needed improvement. The Army felt that CIA was working on only high-level targets and was trying to take over all clandestine collection; CIA felt the Army was competing for a limited number of assets and it had no great confidence in the Army's operating abilities. The Report also noted that the Air Force was ready to turn over its assets to CIA and that the small Navy effort was no problem.

The HACIT Report of 1968 observed that the Services insisted on having clandestine collection assets, but none of these were operating in denied areas, and nothing was being done about stay-behind operations. It noted that human

collection had been planned to exhaustion but little had been done in practice. The otherwise quite comprehensive Lindsay Report was silent on military clandestine operations. The Bross Report in 1969 noted that one major unsettled problem at that time in regard to allocations of responsibility was the decision by Defense to embark on a national espionage program which could, if it became as powerful as the Soviet GRU, become a complicating factor. Its emergence reinforced the need for close coordination of clandestine collection under central authority. The Schlesinger Report only noted that the transfer of Defense clandestine operations to CIA could yield a savings of [ ] in 1972 and around [ ] by 1975.

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4. Counterintelligence

The Joint Study Group dealt briefly with counterintelligence in a short observation that too little attention was being paid to it and that it was essential for the development of clandestine capabilities. The DCI and USIB were urged to give it strong consideration. This is the only recognizable reference to this important topic in the whole array of reports reviewed.

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# GLOSSARY OF ABBREVIATIONS

ADP	Automatic Data Processing
ASD(I)	Assistant Secretary of Defense (Intelligence)
CA	Covert Action
CCP	Consolidated Cryptologic Program--the resource program managed by the Director, National Security Agency
CDIP	Consolidated Defense Intelligence Program--the aggregated Defense resource program comprising the CCP, the GDIP and the NRP, and managed by ASD(I)
CIA	Central Intelligence Agency
CIP	Consolidated Intelligence Program--the former name of the resource program managed by the Director, Defense Intelligence Agency--now called the General Defense Intelligence Program
COMINT	Communications Intelligence
CS	The Clandestine Services (of CIA)
CSS	Central Security Service
DCI	Director of Central Intelligence
DCID	Director of Central Intelligence Directive
DDI	Deputy Director for Intelligence in CIA
DDI	Director of Defense Intelligence (in the Froehle and Fitzhugh Reports)
DDR&E	Director of Defense Research and Engineering
DIA	Defense Intelligence Agency
DOD	Department of Defense
ELINT	Electronic Intelligence
GDIP	General Defense Intelligence Program of DIA
HACIT	House Appropriations Committee Investigative Team (1968)
INR	Bureau of Intelligence and Research, Department of State
IRAC	Intelligence Resources Advisory Committee
JCS	Joint Chiefs of Staff
NIC	National Indications Center
NIPE	National Intelligence Programs Evaluation
NIRB	National Intelligence Resources Board
NPIC	National Photographic Interpretation Center
NRO	National Reconnaissance Office
NRP	National Reconnaissance Program, managed by the Director, NRO
NSA	National Security Agency

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GLOSSARY OF ABBREVIATIONS (con't)

NSC	National Security Council
NSCIC	National Security Council Intelligence Committee
NSCID	National Security Council Intelligence Directive
OMB	Office of Management and Budget
PFIAB	President's Foreign Intelligence Advisory Board
PI	Photo interpretation or photo interpreter
SCA	Service Cryptologic Agencies--collective term for the Army Security Agency, Air Force Security Service and Naval Security Group
SIGINT	Signals Intelligence--collective term for communica- tions intelligence and electronic intelligence
U&S Commands	Unified and Specified Commands
USIB	United States Intelligence Board

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